

ANALYSIS OF VIOLATIONS OF BUSINESS ETHICS IN DISTRIBUTION OF CUSTOMER DATA BY ILLEGAL FINTECH

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ABSTRACT: *Technological advances that have a direct impact on aspects of people's economic life. The emergence of financial technology in the form of online loans makes it easy to get the funds you want with a very short time and easy process. This study aims to discuss illegal online lending practices from the perspective of business ethics. In the practice of Financial Technology (fintech), namely online loans, several problems were found, such as the emergence of illegal online loans, recorded from January 2018 to April 2019, the Financial Services Authority had blocked 947 fintech entities of the type of unlicensed peer to peer lending. When viewed from the perspective of business ethics, online loan activities can be carried out by maintaining mutual trust which has a major influence on the company's reputation. However, if the company is illegal, it can trigger criminal acts such as fraud, money laundering or misuse of consumer data. This condition is triggered by many people who do not know about the financial technology business.*

Keywords: Violation, Business Ethics, Illegal Fintech.

INTRODUCTION

The rapid development of the era has changed the meanset or mindset of the people/society in the world, both in all fields, both in the socio-cultural field, in the political field, in the economic field, and in other fields. The development of this technology, among others, is marked by the development of the internet world. Globalization is a process of global social order and knows no boundaries (K. Salim & Sari, 2014). Globalization is essentially a process of ideas that are raised, then offered to be followed by other nations, which finally arrive at a point of mutual agreement and become a common guideline for nations in the dimensions of space and time. Globalization takes place in all areas of life such as the socio-cultural, political, economics and information and communication technology are important factors in globalization. Today, information and communication technology is growing rapidly with various forms and interests that can be widely spread throughout the world, one of which is the development of internet technology. The explosion in the number of internet users has penetrated into various sectors, one of which is the economic and business sectors. The use of the internet as a means of business is very growing quickly in the information age (Rahayu, 2012). This can be seen from the emergence of various online e-commerce businesses that offer unlimited products and services to meet all one's needs, including Tokopedia, Shope, Bukalapak, and Traveloka. Not only the trade sector is developing, but the financial industry sector also has a role in the development of information and communication technology today which is commonly referred to as financial technology (Fintech). The presence of Financial Technology (fintech)

really helps the public in accessing financial products and makes it easier to conduct financial transactions, this greatly improves financial literacy in Indonesia. Financial technology in Bank Indonesia regulation Number 19/12/PBI/2017 is the use of financial system technology that produces products, services, technology, and/or new business models and may have an impact on monetary stability, financial system stability, efficiency, fluency, security, and reliability of the payment system. Financial technology providers include payment systems, market support, investment management and risk management, financing loans and providers of capital and other financial services.

The existence of illegal fintech is illegal according to law, in this case violating the law, illegal goods, illegal or without permission from the party concerned. This is because it is not in accordance with OJK regulation Number 77/PJOK.01/2016 concerning general information technology-based money-lending services. The regulation stipulates that financial technology companies are required to apply for a permit to the OJK to run their business. This illegal fintech will endanger the community and there is a high risk if many people borrow from illegal fintech companies because their status will not be recognized by the state. The entry of illegal fintech is due to high demand from the public, this illegal fintech also provides easy loans compared to banks so that people choose this path (Marzuki, 2019).

The number of cases involving GALBAY (Failure to Pay) has seen the actions of illegal fintech companies. How is it billed and its impacts. With so many opportunities to work around it like certain groups have done. One of them is a group that calls itself the "Galbay action". There are so many groups that deliberately take advantage of applications to be used as jobs. The social practice of default has been carried out by many other groups as well. The purpose of this group is to get a loan of money without having to pay it back. Some members who first entered must have had problems or debts before. So this group or group becomes a temporary escape related to debt problems,

Theory in any research becomes a very important thing, because theory is a tool used to analyze research problems. With a theoretical basis, it will be easier to answer research problems because in it there is a framework that explains the problem of a research. Therefore, theory becomes a tool that research can use to serve as a basis for analyzing research problems. In this study, the theory used is the theory of social practice by Anthony Giddens. The researcher chose to use the theory in accordance with the phenomenon or case to be studied, namely the social practice of failing to pay members of the Galbay action group at fintech companies.

Previous research that is still in accordance with the research problem (Wahyuni & Turisno, 2019) entitled "Illegal technology financial practices in the form of online loans in terms of business ethics". This study aims to discuss the analysis of illegal online lending practices from the perspective of business ethics. The research method used is normative juridical with descriptive analysis research specifications. In the practice of financial technology (fintech), namely online loans, there are several problems, such as the emergence of illegal online loans, recorded from January 2018 to April 2019, the Financial Services Authority has blocked 947 fintech entities of the type of unlicensed peer to peer lending. When viewed from the perspective of business ethics, Online loan activities can be done by maintaining mutual trust which has a major influence on the company's reputation.

However, if the company is illegal, it can trigger criminal acts such as fraud, money laundering or misuse of consumer data. This condition is triggered by many people who do not know about the financial technology business.

The result of this study is that this form of illegal online loan company or (P2P Lending) violation also has various types ranging from intimidating billing, personal data dissemination to sexual harassment, this is of course not suitable for doing business considering that good business activities are not only profitable businesses. , but a good business is that besides being a profitable business, it is also a morally sound business, so it is necessary to overcome illegal online lending practices in the business world. People can easily get funds just by providing their personal data. The convenience provided does not rule out the possibility of creating a risk of violation which will lead to a fairly high risk. The rapid development of the business is a challenge for business actors to keep working in order to extend and maintain the viability of their business activities which should be carried out honestly and uphold the principle of honesty as well as the principle of business ethics which is a guarantee and basis for the continuity of business activities. Then the second research was conducted by Sihombing (2019) from Atma Jaya University Yogyakarta entitled "The impact of using online loans on the consumptive lifestyle of Yogyakarta students". This research was conducted using a questionnaire method and interviews with students using the Cicil application, Cicil is an online loan application or payment in installments without using a credit card given to students. This application makes it easy for every student who wants to borrow funds for lecture activities or wants to buy goods online but does not have enough funds so that they make payments in installments with a certain amount of interest, depending on the length of the period the student chooses the time. Due to the use of installments that attract students' interest, it certainly has an effect on the behavior/behavior of these students, both positively and negatively. So, this study aims to analyze the use of installment applications that can have an impact on consumptive living habits. depending on the length of the period the student chooses the time. Due to the use of installments that attract students' interest, it certainly has an effect on the behavior/behavior of these students, both positively and negatively. So, this study aims to analyze the use of installment applications that can have an impact on consumptive living habits. depending on the length of the period the student chooses the time. Due to the use of installments that attract students' interest, it certainly has an effect on the behavior/behavior of these students, both positively and negatively. So, this study aims to analyze the use of installment applications that can have an impact on consumptive living habits.

The result of this study is that the data can be carried by most of the students who often use online shopping activities and the majority are women. This is because the ease of shopping and the greater number of women's needs are more complex than men, this proves that from the data obtained that 65% of online shopping consumers are women. With a fairly large limit for a student, making installments has been widely used, the registration process and use are quite easy, plus the conditions that do not require having a permanent job, making installments a financing solution for students.

With the very rapid growth of fintech companies, it is possible to have a lot of paid crow practices. With large interest supported by the ability of customers who do not match, there will be a default. Lots of members in the action group failed to pay. Lots of members in this default group do this default practice practice defaulting from only 3 applications to

dozens of applications. Before joining the Galbay action group, they usually only had debts that were not so large, around 3 applications if the average was under five million rupiah, but because of the hole-closing system, starting from 3 applications, it could become 10 applications or more.

When a customer joins the galbay action group to seek information related to debt problems and the impacts that may arise when practicing galbay, by sharing experiences in the group and exchanging information related to their actions. When you get a solution and know the estimated impact that will arise, a sense of wanting to do it continuously will occur so that each member will continue to do so so that each member will take default actions, there will be a sense of wanting to do it continuously so that each member will carry out default actions that will be taken. sharing in the group makes a lot of other members want to do it so it's not surprising that there are members who are in debt up to tens of millions.

In Giddens' theory of structuration, the focus between social practice and social action and social action is on social practice that is repeated and expert in doing it. There are three types of social actions carried out by agents, namely rationalization of action, reflexive monitoring and motivation of action. The first, namely rationalization of action, is when agents carry out their activities in maintaining the understanding base they have in carrying out these activities (Giddens, 2010). This means that in a practice of default, an agent, namely a member of the Galbay action group, will be able to explain his actions related to the practice of default. The second is that reflection monitoring can also be interpreted as an agent when carrying out an activity to monitor himself with other individuals to suit the environmental conditions in which he moves (Giddens, 2010). If it is related in this research, when a member will see the surrounding environment, it means that here in the group scope the practice of default. If the group requires the practice of default, then its members as agents in the practice of default take such action. So that the agent does not just take this action but monitors it first, is it appropriate for the default action within the scope where he joins. The last, motivating action refers to the action potentials of the agent that are likely to appear. Giddens elaborates on the motivation for action, namely awareness of practice, discursive awareness and unconscious motives (Giddens, 2010). From this description, this study focuses on finding out the motive behind the practice of default as one of the activities of members of the Galbay action group.

METHOD

This study uses a qualitative type, namely looking through the point of view of the subject being studied in detail. According to Jane Richie, qualitative research is an attempt to present the social world and its perspective within the world, in terms of the concepts, behaviors, concepts and issues about the human being studied. The method in this study uses the phenomenological method. This research activity is an activity carried out as an effort to understand and solve problems scientifically, systematically and logically (Makes sense). A study was initiated because of the gap between *das sollen* and *das sein*, namely between the existing theory and the reality that occurs in the field, the approach method used in this research is a normative juridical approach considering the problems being researched and studied in addition to holding on to the juridical aspects, namely based on norms, rules, legal theories. In other words, this research does not only refer to applicable legal products but

also based on the reality that occurs in the field. The specifications used in this study are descriptive analysis, because this research is expected to obtain a clear, detailed and systematic picture,

DISCUSSION

II. ONLINE LOAN THINKING FLOW



From the picture above, we can conclude that the debts made by the members of this default group are aimed at welfare in meeting the needs of life, both primary and secondary. Members of these galbay actions are employees, self-employed or unemployed, employees are everyone who works by selling their energy (physically or mentally to companies that receive remuneration in accordance with the agreement (Hasibuan, 2009), entrepreneurs contain a number of characteristics such as confidence in their abilities. themselves are far-sighted, have agile mental tenacity in doing business (Suhadi, 1985), Unemployment is a condition where the workforce wants to get a job but has not got it (Yanuar, 2009).

Because the assumption of the loan if it has received loan funds means getting fortune, this borrowing is considered an entertainment that makes money, so that the income is not controlled or a waste. The public's understanding of the debt that must be paid, because there is an obligation formula, but the case is different with borrowers who are members of the Galbay Pinjol action group, from the large number of data on online loan users who have different borrowing motives, it can be seen from various social media such as Facebook, Twitter, WhatsApp and others, there are several group members with a total membership of up to 40 thousand members. All the information in the group action advises not to pay debts or default.

Flow section Thinking above, it can be seen that members of the default action group have three types of actions, namely rationalizing action, reflective monitoring, and motivating action.

1. Rationally, the actions taken by the members of the default action, apart from being routine, on the other hand, they also become income or income.
2. Reflective monitoring in action can position itself according to environmental conditions.
3. There are three types of awareness in action motivation, namely practical awareness, discursive awareness and unconscious motivation.

The actions of the members of the defaulting group cannot be separated from the so-called structure, structure is the rules and values in the practice of members of the galbay action. Among the structures in the default action group, there are three schemes, namely:

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- a. Significance structure;
- b. Domination structure; and
- c. Legitimacy structure.

In the structure, the significance of default is seen as a habit that is unlikely to be detrimental and even tends to be a normal or natural thing to do. Failure to pay has become a public discourse among the public (Entrepreneurs, Students, Unemployed). Because this action is also supported by this domination structure, there are elements (Keminfo/OJK) who support the default, because they are able to block unregistered fintechs. The practice in the default action group continues until now this will become a routine or habit that must be carried out by Galbay actions, whether employees, entrepreneurs or unemployed.

IV. The Need to Overcome Illegal Online Loans in the Business World

The use of online loan services or (P2P Lending) is increasingly widespread today. The ease of borrowing funds is one of the advantages of this financial service compared to banking. In a matter of days, loans can be disbursed directly without the need to go to the bank.

The legal issue that becomes a problem in online lending practices is the misuse of data owned by borrower consumers without permission by the platform by accessing data on cellular phone devices as a way to collect debts from debtors.

Violations that occur to borrowing consumers for misuse of personal data on cellular networks by platform provider companies include intimidating billing, distribution of personal data on contacts on consumer numbers to sexual harassment.

The existence of an online loan business company or illegal (P2P Lending) certainly has negative impacts, including:

1. An illegal online loan business or (P2P Lending) can be used as a means to commit money laundering or terrorism financing.
2. Misuse of data and information of service users or consumers in this case the public. The public does not realize that financial technology business companies also record various personal data contained in their smartphones at the time of registration.
3. Loss of potential tax revenue. Of course, the tax potential from the illegal financial technology business is very large considering that the amount is more than those registered with the OJK.
4. There are still many people who do not know about the financial technology business, so when making credit transactions, people as borrowers often do not see in detail the contents of the terms or credit agreements. This causes people to be entangled with very high interest, commissions or interest from illegal online loans, on average reaching more than 40% of the principal debt plus a fine of Rp. 50,000 per day.
5. The NPL of online loans in 2018 reached 1.45%, meaning that even legal financial technology businesses already have risks, so illegal ones will certainly be more risky.
6. There are many reports from the public as victims of unethical debt collection by financial technology business companies. This happens because of the lack of public knowledge about the legality of financial technology business companies.

V. Illegal Technology Financial Practices From the Perspective of Business Ethics

Financial technology is part of the application of information technology in the financial sector. Although there is no standard definition, basically fintech is a segment of the start-up world that has a focus on maximizing the use of technology to change, accelerate or sharpen various aspects of financial services available today. The implementation of Financial Technology is categorized into a payment system; market support; investment management and risk management; loan; financing and provision of capital; and other financial services.

The concept of business ethics is that there are moral rules that are made to be obeyed for the survival of a company so that it can run properly in accordance with what is expected that ethical business will become a character trait. A true entrepreneur who always prioritizes moral and spiritual values in his business. Violations of business or company ethics, with the excuse of generating maximum profits and the products offered are acceptable to the community, business people often justify all means. Business actors and lower-middle-class companies are disadvantaged in the violation of business ethics due to their lack of capabilities. A good business activity is not only a profitable business, but a good business is that in addition to being profitable, it is also a morally good business.

Now people can easily get funds just by providing their personal data, the convenience provided by financial technology has led to. The risk of breaches will be even higher if the data in the service provider management is managed by an incompetent and transparent system (with an assessment that refers to the eligibility criteria/standardization of transparency provided by a special commission)

Unfortunately, the development of a financial services platform with a loan business online (P2P Lending) is also attached to a negative stigma from the community, especially in billing. The public often complains that the online loan company (P2P Lending) billing mechanism is intimidating to the point of containing sexual harassment, one of the threats made by online loan companies in the collection is in the form of a report to the police for sanctions, for example, if the borrower does not pay it will be considered negligent even leads to fraud so that it can be prosecuted to get a criminal threat.

according to Bertens, business ethics is the application of general ethical principles to a specific area of human behavior, namely economic and business activities. In the company's Business Ethics manual. To get a decent life and develop, the company as an entity must recognize the interested parties (Stakeholders) with their survival either as a single entity or as part of a collection of business groups. In addition, the company must also establish a healthy and ethical relationship with all stakeholders and the environment the company operates in.

CONCLUSION

Based on the research above, it can be concluded that the convenience obtained by the public to get funds through online loans does have a good impact but also has a bad impact, namely the violation of illegal loan companies or (P2P Lending) also various types ranging from intimidating billing, personal data dissemination. , to sexual harassment, this of course is not in accordance with ethics in doing business considering that good business activities are not only profitable businesses, but good business is that apart from being profitable, it is also a morally good business so there is a need for overcoming online lending practices. in the business world.

Online loan business or (P2P Lending) is a new form of development in the business world. People easily get funds just by providing their personal data, then the risk of violations will be higher. The rapid development of the business is a separate obstacle for business actors to maintain the continuity of business activities which should be carried out honestly and uphold the level of continuity of business activities.

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